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ABSTRACT

This competency-based preservice home economics teacher education module on financial management is the fourth in a set of seven modules on consumer education related to management. (This set is part of a larger series of sixty-seven modules on the Management Approach to Teaching Consumer and Homemaking Education [MATCHE]--see CE 019 901-967.) Following the module objectives and overview, four units of instruction are presented: (1) financial plan (includes lessons on alternative financial plans and savings plans); (2) planning individual and family purchases (includes lessons on consumer decision-making, appliance selection, and evaluating warranties); (3) insurance policies (with one lesson on purpose and types of policies); and (4) systems for accounting and record keeping (with one lesson). Each lesson includes a narrative summary, suggested activities, and suggested resources (readings). A unit progress test is also included for the first three units. A module pre/posttest (with answer key) concludes the document. (Workshop proceedings relating to the development of these modules are available in the ERIC system as CE 019 896-899; also available is a module on utilizing FHA-HERO as an instructional strategy to expand and strengthen the home economics instructional programs [CE 019 900].) (JH)

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CONSUMER APPROACH STRAND:

MANAGEMENT

MODULE I-F-4 FINANCIAL MANAGEMENT

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1978

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NATIONAL INSTITUTE OF EDUCATION

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MATCHE

Management Approach to Teaching Consumer and Homemaking Education

MATCHE is an individualized, competency-based preservice curriculum designed for home economics education students at the preprofessional, upper division level. MATCHE is a comprehensive curriculum based on selected objectives which give emphases in three areas: 1) consumer approach to homemaking education, 2) teaching home economics in economically depressed areas, and 3) establishing occupational programs related to home economics. The material for each subject matter area of home economics has been organized into these three strands, and includes an FHA-HERO emphasis. These subject matter areas are home economics education core, housing, foods and nutrition, textiles and clothing, human development, and management.

The MATCHE modules were written by subject matter specialists from various colleges and universities offering home economics and therefore each is unique in the approach used for the development of the objectives. The modules allow for differences in level of achievement, rate of learning, and learning goals. They may be used independently, combined into a sequential series, or as a random set of conceptual units. Any instructor using the material can easily adapt the material to a specific group of students, the locale, method of instruction, and available facilities. Learning may be facilitated by offering one module in conjunction with others.

As MATCHE is continuously up-dated by those using the curriculum, some concepts and objectives may be added and others deleted. The purpose is to continually strengthen the program for pre and inservice home economics teachers.

Guidelines for Use and Continuous Development of MATCHE are on file with Home Economics units in each of the fifty state departments of education plus all of the Home Economics Departments in California institutions offering home economics education. This booklet and proceedings from the four MATCHE workshops give background information concerning the purpose and development of the MATCHE project.

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MATCHE PROJECT

1974-1978

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TABLE OF CONTENTS

Module Objectives. . . . . Page 1
Module Overview. 1

UNIT 1--FINANCIAL PLAN 2
Objectives. 2
Overview. 2

Lesson 1: Alternative Financial Plans 2
Narrative Summary 2
Suggested Activity. 4
Suggested Resources 5

Lesson 2: Savings Plans 6
Narrative Summary 6
Suggested Activities. 6
Suggested Resources 7

Unit 1 Progress Test 9

UNIT 2--PLANNING INDIVIDUAL/FAMILY PURCHASES 11
Objectives. 11
Overview. 11

Lesson 1: Consumer Decision-Making. 11
Narrative Summary 12
Suggested Activity. 12
Suggested Resources 13

Lesson 2: Appliance Selection 14
Narrative Summary 14
Suggested Activities. 15
Suggested Resources 15

Lesson 3: Evaluating Warranties 16
Narrative Summary 16
Suggested Activities. 16
Suggested Resources 16

Unit 2 Progress Test 17

UNIT 3--INSURANCE POLICIES 19
Objective 19
Overview. 19

Lesson: Purpose and Types of Insurance Policies 19
Narrative Summary 19
Suggested Activities. 20
Suggested Resources 21

Unit 3 Progress Test 22

UNIT 4--SYSTEMS FOR ACCOUNTING AND RECORD KEEPING. 26
Objective 26
Overview. 26

Lesson: Record Keeping System 26
Narrative Summary 26
Suggested Activities. 27
Suggested Resources 27

MODULE PRE/POSTTEST. 29
Answer Key. 37

FINANCIAL MANAGEMENT

Module Objectives

Given all necessary information, the MATCHE student will be able to outline his or her own personal management program and evaluate the program in terms of meeting his or her personal needs or situation.

Given several families and their allocation of resources, the MATCHE student will be able to devise at least one method whereby the families are able to recognize the relationship between the use of their resources and their goals.

Module Overview

Before one can effectively plan use of resources, it is important to understand the relationships between financial management, value satisfaction, and goal attainment. When the consumer understands how various factors affect the decisions he makes for spending his money, he can plan an overall course on financial management which suits his life style.

The purpose of this module is to assist you in understanding financial management. This module has been divided into the following units:

Unit 1: Financial Plan

Unit 2: Planning Individual/Family Purchases

Unit 3: Insurance Policies

Unit 4: Systems for Accounting and Record Keeping

UNIT 1

FINANCIAL PLAN

Objectives

Given a case situation, the MATCHE student will be able to devise alternative financial plans with detailed explanations. The plans will be evaluated by a financial counselor.

The MATCHE student will investigate various plans for savings considering institutions, policies, risks, and legal implications.

Overview

A financial plan must be developed around particular values, needs, resources, and goals. There is no one plan that works for everyone, nor does one plan consistently suit all situations. Any change in a situation might require a change in financial planning.

This unit will give you experience in developing financial plans for a variety of families and individuals differing in size, tastes, priorities, preferences, and ages. You will investigate spending plans and savings plans, studying various institutions, policies, risks, and legal implications.

Lesson 1: Alternative Financial Plans

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to devise alternative financial plans.

Narrative Summary

People work and earn money in order to have the basic necessities--food, shelter, and clothing. Many times these basics are overlooked in a plan for good money management. Other goals are not easily identified because they are tied in with personal and family values and standards. Organize goals according to those that require the use of personal assets only and those that require the use of financial resources. They will vary according to age, sex, status, values, family, stage of the life cycle, and cultural background.

Developing a financial plan to achieve financial goals should include: protecting what a person has, getting the most out of a person's income, and increasing that person's total income. To protect what a person has, he must ensure against calamities. To get the most out of a person's income, he must direct money to cover expenses and avoid unnecessary drains. To increase a person's total income, he must make investments that agree with his goals. A financial manager varies the size of financial resources according to goals rather than varying goals according to the size of financial resources. A financial plan involves planning the amount and direction of the outflow and planning the source and timing of the inflow. The financial plan must be evaluated and changed as a person or family grows older because values, goals, standards, and resources change. Income management may be defined as planning, organizing, controlling, and evaluating the use of all types of income. The purpose is to get the maximum satisfaction from the resources at hand. There are three types of income that families work with which make up their total income. They are: money income, real income, and psychic income. Money income is the purchasing power in dollars that goes into the family treasury in a given period of time. Real income (non money) is the flow of goods and services used or available for any given period of time (i.e., home garden, knowledge contributed and services rendered by members of the family, etc.). A family that can actually make use of all forms of real income can materially increase the sum total of realized income. Psychic income is the amount of satisfaction that arises out of everyday experiences, derived largely from the use of money and real income and making for psychic and physical well-being. The quantity of real and psychic income depends largely on the skill that is exercised in management of everyday living.

There are certain guidelines that can be shown to operate in applying the management concept to the use of money income for a family.

1. Clearly recognizing and defining goals, because they set the pattern for money use.
2. Analyzing probable income through time: the short view and long view, including retirement.
3. Recognizing the stages of the family life cycle, with the phases of each stage, and forecasting needs for money during each.
4. Coordinating plans for shorter and longer periods.
5. Deciding on the method of handling money that will satisfy all members of the family.
6. Actuating plans by using the methods chosen.
7. Controlling the use of money as planned and evaluating the plans and results concurrently.

Suggested Activity

Develop alternative financial plans with detailed explanations for the following case studies.

Case Study: Chuck and Nancy Anderson

Chuck Anderson is thirty-five years old and works as a salesman. His wife Nancy, also thirty-five, works part time as a school librarian. They were married twelve years ago, shortly after Chuck took his present job. Three years later he received a promotion and was transferred. Soon after the move they bought a $26,000 two-bedroom home six miles from the office. Within a year they had a son named Jim and three years later a daughter named Melissa.

Since their move, the Andersons have bought much of the furniture for their house, some of it on installment. They have also purchased the necessary insurance policies in addition to the life insurance Chuck bought at the time of their marriage. To celebrate Chuck's second promotion last year, they traded in their six-year-old car and took out a $4000 loan to buy a new "luxury image" car for Chuck. Nancy still drives a five-year-old compact.

The Andersons would like to have more money for things such as a family vacation abroad and a motorboat. They would also like to begin a savings or investment program so that they will have enough money for a college education for each of their children. Nancy's car should probably be replaced soon. In addition, Chuck and Nancy want to be assured of having a comfortable retirement when that time comes. These are the financial goals the Andersons have set for themselves.

Case Study: John and Pam Souse

John and Pam were just recently married. On the way home from their honeymoon, they had car trouble which was diagnosed as a faulty automatic transmission which a reputable mechanic has given an estimate of $230 to repair. As the car is a six-year-old mid-size Chevy, John and Pam are wondering if they wouldn't be better off buying a new or slightly used compact instead of repairing the old car.

John's parents have offered to buy the two of them a 19-inch color television for a wedding present and they want to know what kind John and Pam would like to have.

In addition to a television set John and Pam's partly furnished apartment needs a refrigerator freezer and a bed. The two of them have decided that they wish to buy a new refrigerator freezer rather than a used one and that they want a king-size bed.

John and Pam received about $400 in cash for wedding presents and have about $600 in their savings account. They both work and their combined take-home pay is about $800 per month. The rent on the apartment is $190 per month and they have a payment of $55 per month for the next year on their wedding rings.

What John and Pam need is some help in making some important decisions.

Source for Case Studies:

Bailard, Biehl, and Kaiser: Personal Money Management.

Suggested Resources

Bailard, Thomas E.; David L. Biehl; Ronald W. Kaiser. Personal Money Management. Chicago: Science Research Associates, 1977.

Crandall, Elizabeth W.; Irma H. Gross; Marjorie M. Knoll. Management for Modern Families. New York: Appleton-Century-Croft, 1973. Chapter 16.

Donaldson, Elvin F., and John K. Pfahl. Personal Finance. New York: Ronald Press, 1971.

Hastings, Paul, and Narbut Mietus. Personal Finance. New York: McGraw Hill, 1972.

Spillman, Nancy Z. ConSu & Mers: A Personal Planning Reader. New York: West Publishing, 1976.

Stillman, Richard J. Guide to Personal Finance. 2d ed. Englewood Cliffs, New Jersey: Prentice-Hall, 1975.

Troolroff, Benjamin M., and Fannie Lee Boyd. Personal Finance for Consumers. Morristown, New Jersey: General Learning Press, 1976.

U.S. Bureau of the Census. "Incomes in 1970 of Families and Persons in the United States." Current Population Reports, Series P-60, No. 80. October 4, 1971.

U.S. Department of Agriculture, Consumer and Food Economics Research Division, Agricultural Research Service. Family Economics Review. Quarterly publication. Hyattsville, Maryland.

Financial plans submitted will serve as progress check.

Lesson 2: Savings Plans

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to investigate various plans for savings considering institutions, policies, risks, and legal implications.

Narrative Summary

Savings can protect an individual or family financially if something unexpected happens, and can also make things happen. Savings can help fulfill planned objectives; they are a way to buy things that have been established as "future goals" in a money plan. People must have a purpose for saving; otherwise, there is no challenge and excitement that can be found in saving for a specific goal.

Once a person decides on a savings plan, he or she must find a place where the money is safe and secure, where it is readily available if needed, and where it earns interest or dividends. There are a number of different places to save and each has its own characteristics. The following institutions can provide a place for a person's savings: commercial banks, mutual savings banks, savings and loan associations, credit unions, and insurance companies.

Some criteria that can be used in selecting a place for savings are:

1. Are deposits insured?
2. How much will the savings earn?
3. What services are offered?
4. How convenient is the location?

Suggested Activities

1. Working in small groups, investigate various plans for savings considering institutions, policies, risks, and legal implications.

2. Develop savings plans with detailed explanations for the following case studies and case studies in Lesson 1.

Case Study: The Samsons

The Samson family includes the father, Joe Samson, aged forty-six, employed as a skilled mechanic at the Aero Electric plant; his wife, Alice, aged thirty-nine, a high-school graduate; and three children: Jack, eighteen, a senior in high school, Jean, aged twelve, and Harry, aged ten.

They have just moved to this city so that Joe Samson could take a foreman's job at a substantial increase in wages. They have enough furniture for a three-bedroom home or apartment, and they completed the payments on their car before they moved. At this time they have their furniture in storage and are looking for housing. The company is paying their moving expenses.

Up until now the family has been able to keep itself free of debt and has accumulated $5,000 in savings bonds through the payroll deduction plan at the place Joe used to work. He has a life insurance policy for $5,000 on which he pays $112 a year.

You've met the Samsons through mutual friends, and when they learned you were knowledgeable in personal money management they asked you to help them plan their living expenses and savings. They want to save money for educating their children and for retirement.

Joe's take-home pay will be $193.35 each week. His firm deducts money for Blue Cross, Social Security, and federal income taxes from his weekly pay. Jack has been promised a part time job that will give him $22 per week. The family has no other sources of income.

Source:

Troolroff: Personal Finance for Consumers.

Suggested Resources

Bailard, Thomas E.; David L. Biehl; Ronald W. Kaiser. Personal Money Management. Chicago: Science Research Associates, 1977.

Crandall, Elizabeth W.; Irma H. Gross; Marjorie M. Knoll. Management for Modern Families. New York: Appleton-Century-Croft, 1973. Chapter 16.

Donaldson, Elvin F., and John K. Pfahl. Personal Finance. New York: Ronald Press, 1971.

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Stillman, Richard J. Guide to Personal Finance. 2d ed. Englewood Cliffs, New Jersey: Prentice-Hall, 1975.

Troolroff, Benjamin M., and Fannie Lee Boyd. Personal Finance for Consumers. Morristown, New Jersey: General Learning Press, 1976.

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U.S. Department of Agriculture, Consumer and Food Economics Research Division, Agricultural Research Service. Family Economics Review. Quarterly publication. Hyattsville, Maryland.

West, David A., and Glenn L. Wood. Personal Financial Management. Boston: Houghton Mifflin, 1972.

Savings Plans will serve as progress check. When you feel you are ready, take the following unit Progress Test. If there are no further assignments, proceed to Unit 2.

UNIT 1 PROGRESS TEST

Financial Management

Student_____

Instructor_____

Date_____

True-False. Write "T" if the statement below is true or "O" if it is false.

1. _____ Not having enough money to spend is probably the major problem in money management.

2. _____ According to a recent report, the large number of bankruptcies was attributed to the careless use of credit cards.

3. _____ The primary purpose of money management is to generate more actual income for a person or a family.

4. _____ A person's attitude is unimportant to the money management process.

5. _____ The first step in sound money management practice is to decide on what records to use.

6. _____ In money management, record keeping is a subdivision of a financial plan.

7. _____ The value of the dollar actually has little to do with how one structures money management for his family.

8. _____ A family can get along very nicely with an income of $7,500 since that is still above the average family income today.

9. _____ A plan for spending based on estimated income and predetermined goals would be an appropriate definition of a financial plan.

10. _____ A budget used by industry and various governmental levels is very similar to the financial plan of a family.

11. _____ Probably the most important step to keep in mind in developing a financial plan is estimating the expected income.

12. _____ Regardless of where one places savings, the important point is to make saving a steady practice.

13. _____ To maintain records related to a financial plan, it is important to have a special type of form or record or the work will be in vain.

14. _____ It is essential that one use a cash method of record keeping since it is the only sure way of keeping track of cash received and paid out.

15. _____ Having a positive attitude toward money management and what it can do to help a person or a family is perhaps most important to its success.

16. _____ Education for the consumer on money management purposes and practices is generally unnecessary.

17. _____ A systematic method, a favorable attitude, and knowledge and practice of effective buying are concepts basic to money management.

18. _____ Banks offer services of various kinds to help persons work out their money management problems, regardless of whether or not they have money in that bank or are borrowing money from it.

19. _____ By personal money management, we mean investing money so as to get maximum growth.

20. _____ Making rational decisions about the use of your resources, in order to bring yourself the greatest satisfaction, is the goal of personal money management.

21. _____ A life style consists of those things common to all families.

22. _____ Money is the only resource available to most individuals.

23. _____ Decision making is a skill that must be learned if one is to be successful in making consumer choices.

24. _____ Setting goals is the easiest part of the money management process.

25. _____ In a money plan only the money you have coming in regularly should be included.

26. _____ A sound money plan sets aside money for future wants.

27. _____ A money plan is an outline of how you expect to spend your money.

28. _____ An extra paycheck will always help a family's financial situation.

29. _____ A money plan may eliminate family arguments and even divorce.

30. _____ Food and clothing are fixed expenses.

ANSWER KEY
UNIT 1 PROGRESS TEST

Financial Management

Instructor:	In booklets reproduced for students, you may wish to omit this page.

1.	O	16.	O
2.	T	17.	T
3.	O	18.	T
4.	O	19.	O
5.	O	20.	T
6.	T	21.	O
7.	O	22.	O
8.	O	23.	T
9.	T	24.	O
10.	T	25.	T
11.	O	26.	T
12.	T	27.	T
13.	O	28.	O
14.	O	29.	T
15.	T	30.	O

UNIT 2

PLANNING INDIVIDUAL/FAMILY PURCHASES

Objectives

Given the available facts on four comparable articles and three case situations, the MATCHE student will be able to describe the decision-making process by which the individual or family might choose one of the articles according to an established decision-making model.

The MATCHE student will be able to prepare a basic checklist of items to consider when selecting an appliance, and given several groups of appliances that are similar, will be able to explain what should be considered when deciding which appliance to purchase, make a purchase decision, and adequately defend it.

The MATCHE student will be able to identify factors which are present in a quality warranty or guarantee.

Overview

Many consumers acknowledge the value of making preliminary plans before shopping, but readily admit not doing so because of the time involved and because they do not always know what to plan for. This unit will give you experience in the planning of individual and family purchases so that you will be prepared to transfer the techniques you use to your students in a relevant and practical way. You will investigate a variety of merchandise and examine quality, durability, style, warranties, and guarantees in view of a variety of tastes, preferences, needs, and resource limitations.

Lesson 1: Consumer Decision-Making

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to describe the decision-making process by which the individual/family might choose.

Narrative Summary

Purchasing major home appliances, furniture, etc., involves large investments, and if properly cared for, each product should give many years of good service. If satisfaction from an appliance, furniture, etc., purchase is to be lasting, the purchaser must be aware of family needs and evaluate the consumer good in relation to their requirements. Consideration should be given to future needs as the family progresses through the life cycle. Demands on a product will not be the same for newlyweds as for a family with small children or teenagers. The future cannot be predicted exactly, but planning for future requirements should be taken into consideration at the time of purchase. The cost-benefit approach may help in determining the tangible cost in relation to psychic costs. The family should always go through the complete decision making process before purchasing such an expensive item to determine if the decision will satisfy as many needs as possible.

Suggested Activity

Using the following four comparable articles and three case situations, describe the decision-making process by which the individual or family might choose one of the articles according to the established decision-making models.

Case Study: Will and Ida Letsome

Will and Ida are in their mid-sixties. They have both been retired a little over one year. For all of their 35 years of married life, they both worked; and they had looked forward to retiring for quite a few years.

They have sold the old house and moved into a mobile home because it is smaller and needs less maintenance. This couple has given away most of their old furniture and so they must purchase a new sofa for their mobile home. They have their children and grandchildren as well as other friends visit often.

Case Study: Sue and David West

Sue and David are in their mid-twenties. They have been married for about one year and rent a two bedroom apartment. Sue is pregnant and so they plan to change the "guest bedroom" into the baby's room. They are planning on buying living room furniture that can substitute as a temporary guest room also. David has a job in which he brings home $600 a month.

Case Study: Julie Wills

Julie is a single career woman in her mid-thirties. She is decorating her apartment and decided that she wants a very formal ultra-modern looking living room. Many times she does formal entertaining and so she needs a sofa and chairs.

#1 6 ft. long hideabed
brown and gold herculon tweed upholstery

#2 4 ft. long loveseats
white velvet

#3 6 ft. long hideabed
green antique crushed velvet

#4 8 ft. long sofa
burnt orange and gold herculon plaid with scotchguard

Sources for Case Studies:

Bailard, Biehl, and Kaiser: Personal Money Management.

Troolroff: Personal Finance for Consumers.

Suggested Resources

Bailard, Thomas E.; David L. Biehl; Ronald W. Kaiser. Personal Money Management. Chicago: Science Research Associates, 1977.

Crandall, Elizabeth W.; Irma H. Gross; Marjorie M. Knoll. Mangement for Modern Families. New York: Appleton-Century-Croft, 1973. Chapter 16.

Donaldson, Elvin F., and John K. Pfahl. Personal Finance. New York: Ronald Press, 1971.

Hastings, Paul, and Narbut Mietus. Personal Finance. New York: McGraw Hill, 1972.

Spillman, Nancy Z. ConSu & Mers: A Personal Planning Reader. New York: West Publishing, 1976.

Stillman, Richard J. Guide to Personal Finance. 2d ed. Englewood Cliffs, New Jersey: Prentice-Hall, 1975.

Troolroff, Benjamin M., and Fannie Lee Boyd. Personal Finance for Consumers. Morristown, New Jersey: General Learning Press, 1976.

West, David A., and Glenn L. Wood. Personal Financial Management. Boston: Houghton Mifflin, 1972.

Lesson 2: Appliance Selection

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to prepare a basic checklist of items to consider when selecting an appliance and be able to explain what should be considered when deciding which appliance to purchase.

Narrative Summary

Ranges, refrigerators, and other major appliances represent a significant family investment. To get the greatest return for dollars spent, therefore, the needs of the entire family should be considered when you plan to buy.

Discuss with Your Family:

- -*The need for the appliance.
- -*The amount of money you can spend.
- -*The job you want the appliance to do . . . the features it must have to give you the results you expect.
- -*Future use of the appliance. Will you need additional food storage capacity as the children grow? Do you foresee larger or smaller wash loads in the years ahead?
- -*The persons who will use it. If you expect the children to help load the dishwasher, be sure they can reach the racks in the model on the showroom floor.
- -*Location of the appliance. If your laundry area is on a breezeway or in a damp basement, the initial investment in corrosion-resistant porcelain enamel finishes will save on maintenance during the ten or so years the average washer and dryer may be expected to last.
- -*Special needs of the family as a whole. If you have small children, pay special attention to safety cut-off switches, controls placed out of reach.

Elderly persons need knobs and buttons which operate easily. If you move often, portability is important.

*Type and amount of energy required. Some models have special energy saving controls or devices.

*UL or ACA seal of approval

To Shop Wisely:

shop thoroughly. Before visiting any dealers, take the time to read articles in women's magazines, home economics publication, consumer reports, Consumer Research, Changing Times, and newspapers for background information. Then visit several dealers. Find out what styles, materials, and features are available. Compare prices and figure out various extended payment terms. The best way to do this is to take along paper and pencil. Write down model numbers, materials used (exterior and interior), dimensions, special features. Get estimates of installation costs. (To change from gas to electricity or vice versa usually entails rewiring or running a gas line.)

If the salesman does not know the details of construction or materials used, ask him to look up the manufacturer's specification sheets. He should have them on file. Either he or the manager will be glad to do this for you.

Suggested Activities

1. Research and develop "tip sheets" which consist of a basic checklist of items to consider when selecting a particular appliance.

2. Research one particular appliance (e.g., refrigerator) as if you were going to purchase it for yourself in the most recent Consumer Research and Consumer Reports on the subject, and evaluate your own needs and requirements. Then make a purchase decision and adequately defend it.

3. Working in small groups, develop guidelines for determining the types of information needed to help people decide which appliance to purchase.

4. Work as resource person in a store or agency.

Suggested Resources

Changing Times

Consumer Reports

Consumer Research

Peet, Louise; Mary Pickett; Mildred Arnold; Ilse Wolf. Household Equipment. 7th ed. New York: John Wiley and Sons, 1975.

Wilson, Patricia. Household Equipment: Selection and Management. Boston: Houghton Mifflin, 1976.

There is no Progress Check.

Lesson 3: Evaluating Warranties

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to identify factors which are present in a quality warranty or guarantee.

Narrative Summary

Generally speaking, warranties and guarantees need more accurate language, clearer instructions on how consumers should file claims, and clearer statements of disclaimers and exceptions. When evaluating warranties and guarantees, you should look for:

1. Name and address of the warrantor
2. Product or specific parts covered and what they are covered for
3. Specific time for which product or parts are covered
4. Exactly what the warrantor will do and at whose expense in case of a claim
5. Exactly what the consumer must do and at whose expense in case of a claim
6. Warranty terms given in language that is clear, concise, and simple, and avoids legalese
7. Exceptions and disclaimers presented as prominently as affirmative statements
8. Warranty terms stated in printing that is clear, well spaced, and easy to read
9. Headings or titles presented in a manner that is fully descriptive and accurate

Suggested Activities

1. Secure several warranties and/or guarantees. Evaluate and identify the factors that indicate quality.

2. Write a model warranty for an appliance of your choice.

Suggested Resources

Spillman, Nancy Z. ConSu & Mers: A Personal Planning Reader. New York: West Publishing, 1976.

Troolroff, Benjamin M., and Fannie Lee Boyd. Personal Finance for Consumers. Morristown, New Jersey: General Learning Press, 1976.

There is no Progress Check. When you feel you are ready, take the following unit Progress Test. If there are no further assignments, proceed to Unit 3.

UNIT 2 PROGRESS TEST

Financial Management

Student_____

Instructor_____

Date_____

True-False. Write "T" if the statement below is true or "O" if it is false.

1. _____ Perhaps the greatest problem that consumers are faced with in regard to buying appliances is that of price.

2. _____ The number of injuries and deaths caused by poor quality and design of products is great enough for consumers to be concerned.

3. _____ Most major appliances, when purchased, will last about eight years.

4. _____ The quality of appliances is often difficult to determine.

5. _____ Most warranties can be understood and interpreted in the same way.

6. _____ Express warranties can be either oral or written and yet be relied upon by the consumer.

7. _____ The majority of consumers do not fully understand or exercise their responsibilities when it comes to shopping for appliances.

8. _____ The Major Appliance Consumer Action Panel was formed to help merchants ward off irate consumers.

9. _____ Most stores that sell appliances are equipped to handle all kinds of repairs on their premises.

10. _____ A clear identification of quality characteristics of appliances by the manufacturer remains a major consumer concern.

Multiple Choice. Write the letter of the word or words that best completes or answers the statement below.

11. _____ Probably the best determinant for getting the best buy for the price is to use (a) a comparison shopping plan; (b) a personal friend's recommendation; (c) a salesman's recommendation; (d) Consumer Reports ratings.

Unit 2 Progress Test (continued)

12. _____ A predetermined plan for projecting the life of an appliance at the time of manufacture is referred to as (a) the estimated life; (b) built-in obsolescence; (c) modern engineering design; (d) quality-control planning.

13. _____ A promise of that degree of quality or fitness in a product that a buyer has a legal right to expect is (a) an implied warranty; (b) a promise of merchantability; (c) an express warranty; (d) a merchant's opinion.

14. _____ Perhaps the greatest difficulty that the average consumer has with warranties and guarantees is with (a) their style of print; (b) their word length; (c) their length of effective time; (d) their understanding and interpretation.

15. _____ As a result of recent legislative actions or near actions, more manufacturers and dealers have revamped their currently operating (a) selling procedures; (b) warranties; (c) repair services; (d) price ranges.

16. _____ Probably the largest single group that has been formed to generate action for both industry and the public in buying appliances is (a) MACAP; (b) NAM; (c) GAMA; (d) AHAM.

17. You are (a) to study the facts for each purchase plan below, (b) to choose the purchase plan that you feel is best for you, all things considered, and (c) to support your choice by giving reasons for the plan you selected.

Purchase Plan 1	Purchase Plan 2
Item: Electric stove	Item: Electric stove (same as Plan 1)
Cost: $399	Cost: $421
Delivery charge: $10	Delivery charge: None
Warranty: 90 days, parts and labor	Warranty: 1 year, parts only
Credit: One year only	Credit: Any type and time

Purchase Plan 3
Item: Electric stove (same as Plans 1 and 2)
Cost: $379
Delivery charge: $50
Warranty: None
Credit: None, cash only

My choice of purchase plan is _____

Reasons for my choice are:

ANSWER KEY
UNIT 2 PROGRESS TEST

Financial Management

Instructor:	In booklets reproduced for students, you may wish to omit this page.

1. O
2. T
3. O
4. T
5. O
6. T
7. T
8. O
9. O
10. T
11. A
12. B
13. A
14. D
15. B
16. D
17. See instructor

UNIT 3

INSURANCE POLICIES

Objective

Given three case situations and with the help of a financial counselor, the MATCHE student will be able to analyze several different categories of insurance. The student will recommend and justify the insurance coverage for each situation.

Overview

Insurance plays an important part in one's life when it is needed and used in an emergency. Often it is not completely understood, and when the time comes to buy it, consumers do not always wind up with the type of policy which best suits their needs and income. This unit covers the basic concepts involved in insurance policies and identifies ways of evaluating policies and developing a personal insurance program based on needs and goals.

Lesson: Purpose and Types of Insurance Policies

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to analyze several different types of insurance and be able to recommend and justify the appropriate insurance coverage for specific individuals or families.

Narrative Summary

The primary purpose of insurance is to restore financial well-being after financial disaster. In short, insurance gives people money. Insurance is only involved with fortuitous risks that result in financial loss and are personal in origin.

A person can minimize risks by not engaging in activities likely to cause loss. Insurance rates are set according to the amount of risk. Insurance companies pool risks and use statistics to calculate the probabilities of loss. The fee or "premium" is based on the risk involved, the size of the financial loss the company might be required to absorb, and the number of individual risks the company can gather together.

In selecting a policy or group of policies most appropriate for a persons needs, consider: perils to insure against; amount to insure for, length of time to insure for, and company to insure with.

Suggested Activities

1. Working in small groups, select one type of insurance to research. Report to the class: (After selecting your topic, check with instructor.)

    1. property insurance
    2. auto insurance
    3. life insurance
    4. health insurance including MEDICARE and state medical programs
    5. disability insurance
    6. Social Security

    The reports should cover the following information:

    1. types and names of companies offering the insurance coverage
    2. types of coverage: required
    3. types of coverage: special riders
    4. restrictions and exceptions
    5. approximate costs

2. Send to Educational Division, Institute of Life Insurance, 277 Park Avenue, New York, N. Y. 10017, for the many pamphlets that are available on all types of insurance.

3. Using the following case studies, recommend and justify the insurance coverage for each situation.

Case Study: Judy Simmons

Judy, age 29, has just recently become divorced and needs to protect herself and her two children, Jim age 5 and Alice age 3. She earns $12,000 a year as an elementary school teacher and her employer offers health insurance as a fringe benefit. She also pays money into a retirement fund and social security. She feels that she should have some type of life insurance on herself and on the children. She is renting a three-bedroom unfurnished apartment and drives a three-year-old compact automobile. She needs to have the car insured and would like to insure the $15,000 worth of furniture and personal property she and the children have in their apartment.

What type of insurance would you recommend? Why?

Case Study: Randy and Susie Brown

Randy and Susie are in their early twenties. They have just gotten married and both are students at a local college. They both work part time, receive money from their parents which totals about $500.00 a month. They have some furniture and some personal possessions including a six-year-old sub-compact car that needs to be insured. They have no idea what kind or type of insurance they should have. What would you recommend? Why?

If Susie became pregnant in a few months, what insurance changes would you recommend? Why?

Case Study: David Owens

David is a thirty-five-year-old bachelor. He is self employed and earns approximately $8,000 a year. He has just inherited a small two bedroom house, fully paid for, from his mother and has just purchased a new medium sized car on a three-year lease contract. He has no insurance at all. What insurance would you recommend for David? Why?

Sources for Case Studies:

Bailard, Biehl, and Kaiser: Personal Money Management.

Troolroff: Personal Finance for Consumers.

Suggested Resources

Bailard, Thomas E.; David L. Biehl; Ronald W. Kaiser. Personal Money Management. Chicago: Science Research Associates, 1977.

Hastings, Paul, and Narbut Mietus. Personal Finance. New York: McGraw Hill, 1972.

Spillman, Nancy Z. ConSu & Mers: A Personal Planning Reader. New York: West Publishing, 1976.

Stillman, Richard J. Guide to Personal Finance. 2d ed. Englewood Cliffs, New Jersey: Prentice-Hall, 1975.

Troolroff, Benjamin M., and Fannie Lee Boyd. Personal Finance for Consumers. Morristown, New Jersey: General Learning Press, 1976.

West, David A., and Glenn L. Wood. Personal Financial Management. Boston: Houghton Mifflin, 1972.

There is no Progress Check. When you feel you are ready, take the following unit Progress Test. If there are no further assignments, proceed to Unit 4.

UNIT 3 PROGRESS TEST

Financial Management

Student_____

Instructor_____

Date_____

True-False. Write "T" if the statement below is true or "O" if it is false.

1. _____ Premiums for straight life insurance remain the same during the life of the policy.

2. _____ Savings is the primary emphasis in an endowment policy, but some protection is provided if the insured dies.

3. _____ Social Security should not be considered when buying insurance.

4. _____ A young single person needs to invest in life insurance before taking on other financial obligations and family responsibilities.

5. _____ The survivors of a deceased person covered by Social Security receive a lump-sum payment of as much as $255 which may be used for funeral expenses.

6. _____ Persons covered by Social Security are eligible for disability income if they will be disabled for a year or more.

7. _____ In a "noncancellable" health insurance policy, the company cannot refuse to renew the policy even though the premium period has ended.

8. _____ Life insurance is based on a different insurance principle than health insurance.

9. _____ People who have collision insurance on their cars generally end up paying more per dollar of insurance as these cars get older.

10. _____ An actuary can determine with great accuracy the age at which an applicant for life insurance will die.

11. _____ As a person gets older, the cash value of an ordinary life insurance policy diminishes to keep premiums level.

12. _____ A person's economic value to his family is the present discounted value of his future income.

13. _____ Health and disability insurance is carried primarily for the purpose of providing income to take the place of salary or wages lost due to illness or accident.

Unit 3 Progress Test (continued)

14. _____ Protection for dependents is the most important reason for the purchase of life insurance.

15. _____ It is equally important to have some insurance on the wife and children as well as on the husband of the family.

16. _____ Life insurance should be purchased when the money to pay premiums is available.

17. _____ Term insurance may be either group or ordinary.

18. _____ In limited-payment life insurance, the policy begins to pay to the insured after a limited number of years such as twenty or thirty.

19. _____ Endowment life insurance policies are generally recommended for young married couples.

20. _____ Mutual life insurance companies are owned by the policyholders.

21. _____ The most important factor in determining the premium rate on a life insurance policy is the income of the insured.

22. _____ Public liability automobile insurance must be carried by a driver as a matter of protection and law.

23. _____ No-fault insurance plans are socially and morally unsound because the wrongdoer is not held accountable for injuries caused by his fault.

24. _____ As a car depreciates with age, it becomes more important to carry collision and comprehensive insurance because the driver is more likely to own the vehicle outright.

25. _____ Uninsured motorists' insurance coverage does not apply to property damage.

26. _____ For collision and comprehensive coverage, the value of the car has little to do with the amount of the premiums.

27. _____ A "safe driver discount" is usually a wise thing for consumers to obtain since the premiums are lower.

28. _____ Drivers with poor records can obtain auto insurance with the usual large insurance companies, but with higher premiums and through an "assigned risk" classification.

29. _____ A youthful driver may have to pay three times as much for insurance premiums as his father, even though both have a safe driving record.

30. _____ Accident and health insurance policies reimburse all losses from ill health and accident.

31. _____ A renewable feature is more important in a short-term policy than in a long-term policy.

32. _____ Major medical insurance is designed to meet the larger catastrophic costs of a serious accident or prolonged illness.

33. _____ Life insurance is really death insurance.

34. _____ Extensive use of health insurance has met the nation's need and demand for adequate medical care.

35. _____ Mortgage insurance is a type of reducing term credit insurance.

36. _____ The typical ordinary or straight life insurance policy includes a savings element and a level term insurance.

37. _____ The premium cost for one type of life insurance policy may be twenty times as high as that of another type of policy with the same face value.

38. _____ With life insurance, the company wagers you that you will live while the consumer is betting that he will die.

39. _____ The main motivating reason for people to buy life insurance is security.

40. _____ Term insurance provides protection and builds up cash values.

41. _____ As a rule, children, teenagers, college students, and young married couples need a little life insurance.

42. _____ A prospective insurance buyer can save 20 to 30 percent by comparison shopping.

43. _____ The term life insurance buyer's estate is always greater than that of a cash-value policyholder with the same amount of coverage if the savings are invested.

44. _____ Group insurance usually requires a health examination.

45. _____ A guarantee issue rider is an option that allows a person to increase their insurance coverage at certain time intervals without a health examination.

46. _____ Most basic health insurance policies pay 100 percent of the costs for accidents.

47. _____ Routine physicals are covered on basic health insurance plans.

48. _____ The face value on life insurance will be paid no matter what the cause of death.

49. _____ "Pre-existing conditions" are not covered by most health insurance policies.

ANSWER KEY
UNIT 3 PROGRESS TEST

Financial Management

Instructor:	In booklets reproduced for students, you may wish to omit this page.

1. T	18. O	34. O
2. T	19. O	35. T
3. O	20. T	36. T
4. T	21. O	37. T
5. T	22. T	38. T
6. T	23. O	39. T
7. O	24. O	40. O
8. O	25. T	41. T
9. T	26. O	42. T
10. T	27. T	43. T
11. O	28. T	44. O
12. O	29. T	45. T
13. T	30. O	46. T
14. T	31. T	47. O
15. T	32. T	48. O
16. O	33. T	49. T
17. T		

UNIT 4

SYSTEMS FOR ACCOUNTING AND RECORD KEEPING

Objective

The MATCHE student will be able to develop a system for accounting and record keeping for individual and family financial transactions.

Overview

The value of financial planning might well be lost if individuals and families fail to keep accurate records accounting for their income and expenses. This unit will give you experience in developing a system for accounting and record keeping and will identify methods which can be passed on to individuals and families. You will study the various ways by which records might be kept, including the envelope system, checkbook method, savings account, and combinations of these systems. The reasons for keeping various records will be explored.

Lesson: Record Keeping System

In addition to the narrative summary, all of the resources and activities presented in this lesson will enable you to develop a system for accounting and record keeping for individual and family financial transactions.

Narrative Summary

A money plan is very necessary because it tells a person what they are doing with their money and how to get the most value for money spent. When developing a system for accounting and record keeping you have to know the following information first:

1. How much income a person or family has each month.
2. What expenses they have each month.
3. What goals they have set for the future.

The success of a budget depends partly on how often each family member records his expenditures. Expenditures should be recorded often enough that it is not forgotten, but not so often that it becomes a problem. A family should work toward making record keeping as automatic as possible.

A record keeping system should be simple with distinct budget categories and easy arithmetic. Various methods by which records might be kept include: checkbook method, envelope system, savings account, charge card method and combinations of the various systems. Each individual or family may find that one record keeping system works better for them than others.

At the end of the month an evaluation should be made to see how well the budget has worked. The family should not be upset if the money spent does not resemble the amount budgeted. Nothing will hurt a budget's chances to be successful more than a premature indictment of family spending habits. Also, remember, do not try to account for every dollar; everybody has some unaccounted for money.

Suggested Activities

1. Study and evaluate the various methods for record keeping.
2. Select the method of record keeping and budgeting that meets your needs to best set up your budget and records.
3. Set up guidelines to help individuals in working with others.
4. Develop a mini unit and video tape it.

Suggested Resources

Bailard, Thomas E.; David L. Biehl; Ronald W. Kaiser. Personal Money Management. Chicago: Science Research Associates, 1977.

Crandall, Elizabeth W.; Irma H. Gross; Marjorie M. Knoll. Management for Modern Families. New York: Appleton-Century-Croft, 1973. Chapter 16.

Donaldson, Elvin F., and John K. Pfahl. Personal Finance. New York: Ronald Press, 1971.

Hastings, Paul, and Narbut Mietus. Personal Finance. New York: McGraw Hill, 1972.

Spillman, Nancy Z. ConSu & Mers: A Personal Planning Reader. New York: West Publishing, 1976.

Stillman, Richard J. Guide to Personal Finance. 2d ed. Englewood Cliffs, New Jersey: Prentice-Hall, 1975.

Troolroff, Benjamin M., and Fannie Lee Boyd. Personal Finance for Consumers. Morristown, New Jersey: General Learning Press, 1976.

U.S. Bureau of the Census. "Incomes in 1970 of Families and Persons in the United States." Current Population Reports, Series P-60, No. 80. October 4, 1971.

U.S. Department of Agriculture, Consumer and Food Economics Research Division, Agricultural Research Service. Family Economics Review. Quarterly publication. Hyattsville, Maryland.

West, David A., and Glenn L. Wood. Personal Financial Management. Boston: Houghton Mifflin, 1972.

After you have completed this unit, you should be ready to take the Module Posttest. See your instructor.

MODULE PRE/POSTTEST

Financial Management

Student_____

Instructor_____

Date_____

Student: This pre/posttest will assess your knowledge of the information presented in this module. You need study only those units that are prescribed on the basis of the pretest results.

Multiple Choice: Choose the most correct answer to the question.

1. _____ Many families have similar incomes, yet they vary greatly in financial entanglements. This is generally the result of differences in:

   a. the regularity with which income is received
   b. the amount of money earned
   c. the family's ability to manage money
   d. return on investments

2. _____ Life style may be identified by:

   a. where you live
   b. the food you eat and how it is served
   c. your mode of transportation
   d. the clothes you wear
   e. all of the above

3. _____ Needs are those things which are:

   a. nice to have
   b. essential
   c. the same for all persons
   d. wanted

4. _____ Success in achieving a satisfying life style depends upon:

   a. the amount of resources available
   b. the availability of goods and services
   c. the resources available and the way they are used
   d. the decision maker in the family

Pre/posttest (continued)

5. _____ The decision-making process frequently fails because consumers fail to:

   a. identify the problem clearly
   b. consider possible alternatives
   c. secure advice from recognized authorities
   d. implement their decisions
   e. any one of the above

6. _____ Which of the following life cycle groups has the highest total expenditures?

   a. young unmarried
   b. young married with no children
   c. married with children
   d. retired with no children

7. _____ What is the general pattern of expenditures throughout a family's life cycle?

   a. continually increase
   b. increase and then decrease
   c. decrease and then increase
   d. continually decrease

8. _____ Which of the following has some effect upon family expenditures?

   a. income changes
   b. changes in family size
   c. consumer sentiments
   d. all of the above

9. _____ The purpose of life insurance is to:

   a. express love and concern for loved ones
   b. provide income for dependents
   c. force one to save
   d. all of the above

10. _____ Life insurance should be bought:

   a. to send children to college
   b. to insure the child while he/she is young
   c. for the wage earner
   d. as an investment

Pre/posttest (continued)

11. _____ Which of the following policies has no savings element?

a. straight life
b. term
c. limited-payment
d. endowment

12. _____ Which of the following policies requires the highest premium for a given level of death benefits?

a. straight life
b. limited-payment
c. term
d. endowment

13. _____ Which of the following is true with regard to a term insurance policy?

a. Term insurance requires a smaller cash premium than any other types of insurance providing the same protection.
b. The only way for the family to benefit monetarily from a term life insurance policy is for the insured to die.
c. The protection can increase, decrease, or remain the same over the period of coverage, depending on the agreements written into the policy.
d. All of the above.

14. _____ Which of the following is not a benefit provided for persons covered under the Social Security Act?

a. disability payments
b. retirement payments
c. income payment to the deceased's husband/wife who is under the age of sixty-two with no children
d. payments to a dependent child under twenty-two and in school

15. _____ An annuity is:

a. the sum of money received yearly or at regular intervals from an endowment insurance policy
b. the terms of the policy
c. a benefit from survivor's insurance
d. limited-payment straight life insurance

Pre/posttest (continued)

16. _____ Which of the following types of income is considered earnings for Social Security purposes?

a. rents and royalties
b. dividends or stocks
c. interest on money lent
d. wages, salary, or income derived from self-employment

17. _____ In computing the amount of life insurance needed for the breadwinner, you should consider:

a. benefits that will be received from Social Security
b. cash reserve
c. rents and royalties
d. amount that might be received from pension funds
e. all of the above

18. _____ Saving for a vacation trip would be an example of saving for:

a. security purposes
b. short-term goals
c. long-term goals
d. protection

19. _____ Institutions which are owned by individual stockholders and offer checking, saving, and loan services are:

a. commercial banks
b. savings and loan associations
c. mutual savings banks
d. credit unions

20. _____ Institutions which generally offer the highest interest rates on deposits and charge less for credit are:

a. commercial banks
b. savings and loan associations
c. mutual savings banks
d. credit unions

21. _____ What should be considered last when establishing a financial plan?

a. cash reserve in a savings account
b. adequate insurance
c. basic retirement plan
d. investment in securities and real estate

Pre/posttest (continued)

22. _____ As an asset, money is not:

a. liquid
b. low-risk
c. inflation-hedged
d. deflation-hedged

23. _____ No fault insurance means:

a. A driver cannot be arrested for negligent driving.
b. Damages are always paid at the scene of the accident.
c. Injured passengers cannot sue the car owner.
d. None of the above.

24. _____ A legal agreement whereby a seller or manufacturer guarantees the performance and quality of items offered for sale is called a:

a. warranty
b. contract
c. seal or tag
d. none of the above

25. _____ The most compelling reason for devoting time and effort to making better purchase decisions is that:

a. It is an important means of increasing purchasing power.
b. It gives rise to a tax-free increase in income.
c. There is a divergence between sellers' and consumers' interests.
d. One can derive satisfaction from deciding effectively.

26. _____ One reason why a person may want to engage in effective decision-making is to increase purchasing power. Which of the following best illustrates this concept?

a. Purchasing in quantity since this usually reduces the cost per unit.
b. Paying less and enjoying it more.
c. Achieving the lowest possible cost per unit of service provided by a product.
d. Buying today since due to inflation the value of one's money will decrease, thereby reducing its purchasing power.

27. _____ The statement that consumer "earnings" are tax free means that:

a. When consumers spend their earnings wisely, they pay less additional sales tax.
b. Earnings from a second or moonlight job are subject to a lower marginal tax rate than are earnings from one's primary job.
c. Consumers can realize extra "earnings" through jucicious preparation of tax returns.
d. "Money value" of consumer earnings is greatest for those treated least favorably by the federal income tax.
e. "Earnings" realized through purchase savings are already taxed.

28. _____ Which of the following describes what is meant by the sellers' and the consumers' interests diverging?

a. Since all sellers are rich, they have acquired tastes which differ from those of the poor consumer.
b. The seller is interested in selling a product, while the consumer wants to buy the product; this gives rise to a situation where the seller and the consumer look at the same situation from a different perspective.
c. Sellers are usually dishonest, while consumers are usually honest; therefore, it is imperative to know that sellers and consumers diverge in this way.
d. Sellers are always trying to cheat the consumer; therefore, to protect himself the consumer must be aware of this.

29. _____ One of the reasons why one may want to engage in effective decision-making is because of the social payoff from effective decision-making. Which of the following best describes what is meant by social payoff?

a. A payoff to effective decision-making that improves one's social standing relative to the rest of society since the consumer can now purchase more with his money.
b. The increased "happiness" one obtains when in the process of trying to "keep up with the Jones" (one reaps satisfaction in a social sense).
c. A payoff to effective decision-making which enables less enterprising and competent consumers to reap the rewards of effective consumer decision-making done by others.
d. The socially proper income earned by laborers.

Pre/posttest (continued)

30. _____ Which of the following is an example of the social payoff due to careful decision-making?

a. Ms. A was able to purchase a Triumph TR-6 rather than an Opel GT, which improved her social standing relative to the other members of her peer group.
b. The income received by the citizens of Socialist--not Communist--countries.
c. Ms. A refused to purchase Brand X since it was inferior to other brands of the same product. As a result of her action, combined with that of others, Brand X was forced off of the market, making it impossible for Mr. Y to purchase the inferior Brand X.
d. By engaging in careful search, Mr. P was able to purchase a swimming pool like the rest of his neighbors. The increased happiness he obtained by being able to keep up with his neighbors was his social payoff.

31. _____ The fact that sellers want to maximize profits and consumers want to maximize satisfaction gives rise to a situation where:

a. The consumer is subject to economic rape.
b. There is a divergence between seller and consumer interest.
c. The Marshallian Cross comes into effect.
d. The condition for perfect competition always exists.

32. _____ A well-informed and careful consumer may purchase:

a. Better quality for the same money price.
b. Same quality for a lower money price.
c. Better quality for a lower money price.
d. All of these.

33. _____ Under California law, the owner of an automobile must have the following protection:

a. uninsured motorists'
b. public liability
c. collision
d. comprehensive
e. a and b
f. c and d

34. _____ Expenses from catastrophic illness would best be covered by:

a. major medical
b. disability
c. basic medical
d. income protection

Pre/posttest (continued)

35. _____ The most expensive segment of auto insurance is:

a. comprehensive
b. collision
c. public liability
d. uninsured motorists'

36. Short Answer Questions:

a. When developing a financial plan, what factors should be included to achieve financial goals?

b. If you have $1,000 to place into savings, where would you save? Why?

c. What criteria must be considered when evaluating guarantees?

d. When developing a system for accounting and record keeping, what information must be known immediately?

Return this test to your instructor for evaluation.

ANSWER KEY
MODULE PRE/POSTTEST

Financial Management

Instructor:	Do not reproduce this page in students' booklets. You must retain it for grading and prescriptive purposes. Answers will vary with individuals. A preferred response might be similar to the answer presented.

Multiple Choice

1.	c	19.	d
2.	e	20.	d
3.	b	21.	c
4.	c	22.	d
5.	e	23.	d
6.	c	24.	a
7.	b	25.	a
8.	d	26.	c
9.	b	27.	e
10.	c	28.	b
11.	b	29.	c
12.	d	30.	c
13.	d	31.	b
14.	c	32.	d
15.	a	33.	e
16.	d	34.	a
17.	e	35.	b
18.	a		

Pre/posttest Answer Key (continued)

36. Short Answer

a. 1. protecting what a person has
2. getting the most out of a person's income
3. increasing that person's total income

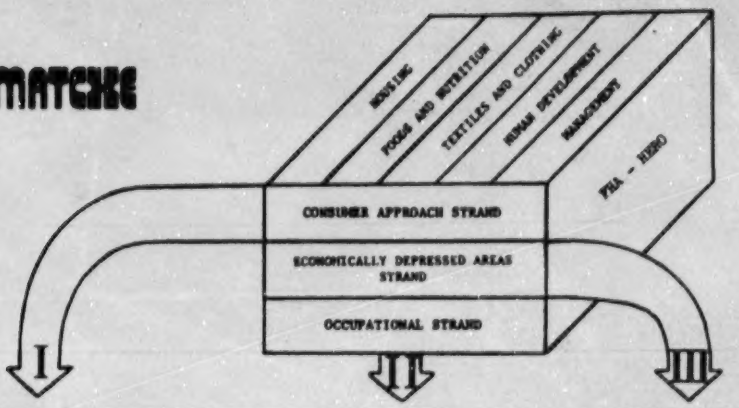
b. The answer should be justified in the following areas:

1. Are deposits insured?
2. How much will savings earn?
3. What services are offered?
4. How convenient is the location?

c. Name and address of the warrantor.
Product or specific parts covered and what they are covered for.
Specific time for which product or parts are covered.
Exactly what the warrantor will do and at whose expense in case of a claim.
Exactly what the consumer must do and at whose expense in case of a claim.
Warranty terms given in language that is clear, concise, simple and avoids legalese.
Exceptions and disclaimors presented as prominantly as affirmative statements.
Warranty terms stated in printing that is clear, well spaced and easy to read.
Headings or titles presented in a manner that is fully descriptive and accurate.

d. How much income a person or family has each month
What expenses they have each month
What goals they have set for each other

MATRIX



	I	II	III
A.	CORE: CONSUMER APPROACH TO HOMEMAKING EDUCATION 1 Life Styles and the Consumer 2 Community Consumer Resources 3 Consumer Rights and Responsibilities 4 Incorporating the Consumer Approach in Homemaking Classes	CORE: ESTABLISHING OCCUPATIONAL PROGRAMS 1 Analyzing Job Market Opportunities 2 Developing Occupational Programs 3 Implementing Occupational Programs 4 Evaluating Occupational Programs	CORE: TEACHING HOME ECONOMICS IN ECONOMICALLY DEPRESSED AREAS 1 Characteristics of Economically Depressed Areas 2 Life Style Characteristics of Economically Depressed Areas 3 Community Resources for Economically Depressed Areas 4 Developing and Implementing Programs for Economically Depressed Areas
	AREA (Module) PACKAGES	AREA (Module) PACKAGES	AREA (Module) PACKAGES
B.	HOUSING 1 Consumer Use of the Community 2 Procedures for Selecting a Community 3 Procedures for Selecting Housing 4 Shopping for a Home Loan 5 Procedures for Selecting Furnishings 6 Maintenance Procedures for Surfaces, Furniture, and Appliances	HOUSING 1 Occupational Opportunities Related to Housing and Interiors 2 Required Skills for Retail Sales of Furnishings and Related Household Items	HOUSING 1 Low Income Housing 2 Government Housing Programs 3 Low Income Furnishings
C.	FOODS AND NUTRITION 1 Technological, Sociological, Ecological, and Environmental Factors Related to Food 2 Regulatory Agencies Responsible for Wholesomeness and Quality of Foods 3 Consumer Aspects in Planning Meals 4 Cultural Food Patterns 5 Influences on Food Prices	FOODS AND NUTRITION 1 Occupational Opportunities Related Foods and Nutrition 2 Operations and Activities of a Food Service Operation 3 Managing a Food Service Operation	FOODS AND NUTRITION 1 Food Availability in Economically Depressed Areas 2 Low Income Food Patterns 3 Meal Management on a Low Income
D.	TEXTILES AND CLOTHING 1 Consumer Approach to Textiles and Clothing 2 Sociological, Psychological, and Economic Factors Affecting Clothing Selection 3 Clothing Needs of Individuals 4 Applications and Implications of New Technology in Textiles and Clothing	TEXTILES AND CLOTHING 1 Occupational Opportunities Related Textiles and Clothing 2 Assembly Line Garment Construction 3 Merchandising Textiles and Ready-To-Wear	TEXTILES AND CLOTHING 1 Clothing the Individual and Family 2 Utilizing Resources for Clothing and Textiles
E.	HUMAN DEVELOPMENT 1 Societal Changes Affecting the Family 2 The Relationship Between Spending Patterns and Interpersonal Relationships 3 Financial Pressures in Various Life Styles and Cycles 4 Individuals and Families in Crisis 5 Consumer Aspects of Parenthood	HUMAN DEVELOPMENT 1 Occupational Opportunities Related to Human Development 2 Children's Center Aide 3 Developing Programs for Preschool Children 4 Convalescent Home Aide	HUMAN DEVELOPMENT 1 Characteristics of Economically Depressed Area Families 2 The Child and the Economically Depressed Area Family 3 Resources for the Economically Depressed Area Family
F.	MANAGEMENT 1 Relationship Between National and Consumer Economics 2 Consumer Legislative Issues 3 Environmental Issues and the Consumer 4 Financial Management 5 Family and Individual Credit Management 6 Management View of the Multiple Role 7 The Metric System	MANAGEMENT 1 Occupational Opportunities Related to Home Management and Supporting Services 2 Occupational Preparation for Jobs Utilizing Housekeeping Skills	MANAGEMENT 1 Management Skills 2 Money Management 3 Marketing Practices in Relation to Low Income Clientele